

State of Arizona  
House of Representatives  
Forty-sixth Legislature  
First Regular Session  
2003

CHAPTER 219

# HOUSE BILL 2421

AN ACT

AMENDING SECTION 43-1089.01, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL  
INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-1089.01, Arizona Revised Statutes, is amended  
3 to read:

4 43-1089.01. Tax credit; definitions

5 A. A credit is allowed against the taxes imposed by this title for the  
6 amount of any fees or cash contributions paid MADE by a taxpayer during the  
7 taxable year to a public school located in this state for the support of  
8 extracurricular activities or character education programs of the public  
9 school, but not exceeding:

10 1. Two hundred dollars for a single individual or a head of household.

11 2. Two hundred fifty dollars for a married couple filing a joint  
12 return. A husband and wife who file separate returns for a taxable year in  
13 which they could have filed a joint return may each claim only one-half of  
14 the tax credit that would have been allowed for a joint return.

15 B. The credit allowed by this section is in lieu of any deduction  
16 pursuant to section 170 of the internal revenue code and taken for state tax  
17 purposes.

18 C. If the allowable tax credit exceeds the taxes otherwise due under  
19 this title on the claimant's income, or if there are no taxes due under this  
20 title, the taxpayer may carry the amount of the claim not used to offset the  
21 taxes under this title forward for not more than five consecutive taxable  
22 years' income tax liability.

23 D. THE SITE COUNCIL OF THE PUBLIC SCHOOL THAT RECEIVES CONTRIBUTIONS  
24 THAT ARE NOT DESIGNATED FOR A SPECIFIC PURPOSE SHALL DETERMINE HOW THE  
25 CONTRIBUTIONS ARE USED AT THE SCHOOL SITE. IF A CHARTER SCHOOL DOES NOT HAVE  
26 A SITE COUNCIL, THE PRINCIPAL, DIRECTOR OR CHIEF ADMINISTRATOR OF THE CHARTER  
27 SCHOOL SHALL DETERMINE HOW THE CONTRIBUTIONS THAT ARE NOT DESIGNATED FOR A  
28 SPECIFIC PURPOSE ARE USED AT THE SCHOOL SITE.

29 ~~D.~~ E. For THE purposes of this section:

30 1. "Character education programs" means a program as ~~defined~~ DESCRIBED  
31 in section 15-719.

32 2. "Extracurricular activities" means school sponsored activities that  
33 require enrolled students to pay a fee in order to participate including fees  
34 for:

35 (a) Band uniforms.

36 (b) Equipment or uniforms for varsity athletic activities.

37 (c) Scientific laboratory materials.

38 (d) IN-STATE OR OUT-OF-STATE TRIPS THAT ARE SOLELY FOR COMPETITIVE  
39 EVENTS. EXTRACURRICULAR ACTIVITIES DOES NOT INCLUDE ANY SENIOR TRIPS OR  
40 EVENTS THAT ARE RECREATIONAL, AMUSEMENT OR TOURIST ACTIVITIES.

APPROVED BY THE GOVERNOR MAY 14, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 15, 2003.

Passed the House March 12, 2003

Passed the Senate May 1, 2003

by the following vote: 34 Ayes,

by the following vote: 29 Ayes,

23 Nays, 3 Not Voting

0 Nays, 1 Not Voting

Jake Flake  
Speaker of the House

Ken Blumenthal  
President of the Senate

Sporman L. Fyore  
Chief Clerk of the House

Charmie Ballentine  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

H.B. 2421

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

May 8, 2003,

by the following vote: 40 Ayes,

16 Nays, 4 Not Voting

Joe I. Lake  
Speaker of the House  
Norman L. Moore  
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

8 day of May, 2003

at 1:40 o'clock P M.

Sandra Ramirez  
Secretary to the Governor

Approved this 14 day of

May, 2003,

at 4<sup>00</sup> o'clock P M.

J. R. McElroy  
Governor of Arizona

H.B. 2421

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 15 day of May, 2003,

at 1:55 o'clock P M.

Janice K. Brewer  
Secretary of State